

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
FRANKFORT, KENTUCKY
ACTION NO. 05-CI-00253

OFFICE OF FINANCIAL INSTITUTIONS

vs.

U.S. PETROLEUM, LLC, and KARLA K. SUTTON

PETITIONER

ENTERED
MAY 23 2005
FRANKLIN CIRCUIT COURT
JANICE MARSHALL CLERK
RESPONDENT

* * * * *

AGREED ORDER OF DISMISSAL

WHEREAS, on or about February 22, 2005, the Petitioner filed a Complaint against the Respondents alleging that the Respondents had violated a certain Settlement Agreement between the parties dated May 30, 2003, by selling oil and gas interests without a Series 63 license; by selling such oil and gas interests without documentation of suitability of investors; and by failing to give full disclosure of all facts and information to investors; and,

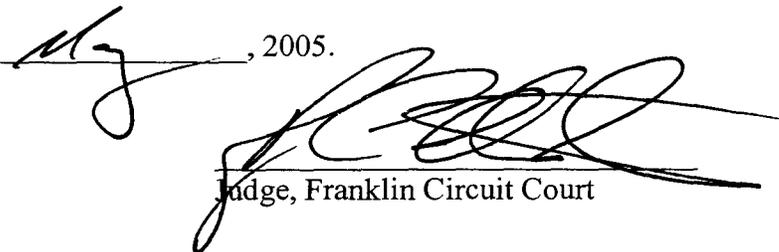
WHEREAS, the Respondents have presented proof to the Petitioner that the subject oil and gas sales were made, not by Karla K. Sutton who signed all the subscription agreements, but rather by a licensed series 63 agent; that suitability of each and every investor in USP offerings #'s 4 and 5 has now been documented; and, that no issue of non-disclosure will be pursued by the Petitioner; and,

WHEREAS, the Respondents by and through counsel have assured the Petitioner that Karla K. Sutton and U.S. Petroleum, LLC ("USP") are no longer in the business of

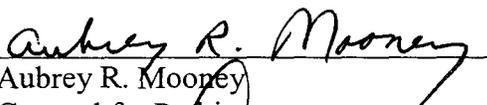
selling interests in oil and gas wells but have sold their leases to another entity and USP is now only engaged in the business of drilling oil and gas wells;

NOW THEREFORE, upon agreement of the parties that no material issues of fact or law exist between them, IT IS HEREBY ORDERED that the Complaint filed herein by the Office of Financial Institutions against the Respondents on or about February 22, 2005 is dismissed.

ENTERED this 20 day of May, 2005.


Judge, Franklin Circuit Court

Have Seen & Agreed To:


Aubrey R. Mooney
Counsel for Petitioner


Counsel for Respondents,
U.S. Petroleum, LLC and Karla K. Sutton